

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
First Regular Session  
2005

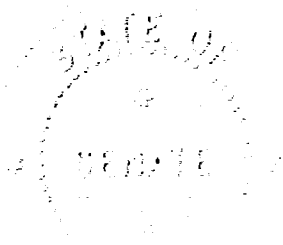
CHAPTER 224

**HOUSE BILL 2282**

AN ACT

AMENDING SECTIONS 41-1958 AND 41-2752, ARIZONA REVISED STATUTES; RELATING TO  
GOVERNMENT LEASES.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 41-1958, Arizona Revised Statutes, is amended to  
3 read:

4 41-1958. Acquisition of lands and buildings; lease-purchase  
5 agreements; lease or sublease of lands or buildings

6 A. The director may acquire for and in the name of the THIS state by  
7 lease, lease-purchase agreement or otherwise lands or buildings for the  
8 purpose of providing office space for the department at such places as the  
9 director finds necessary and suitable.

10 B. An agreement made for the lease, lease-purchase or purchase of the  
11 premises mentioned in subsection A OF THIS SECTION is subject to the approval  
12 of the attorney general and the director of the department of administration.

13 C. An agreement made for the purchase of the premises mentioned in  
14 subsection A OF THIS SECTION is subject to the review of the joint committee  
15 on capital review.

16 D. Any lease-purchase agreement relating to land or building  
17 acquisitions shall provide that:

18 1. The obligation of this state to make any payment under the  
19 agreement is a current expense of the department and is not a general  
20 obligation indebtedness of this state or the department.

21 2. If the legislature fails to appropriate monies or the department  
22 fails to allocate monies for any periodic payment or renewal term of the  
23 agreement, the agreement terminates at the end of the current term and this  
24 state and the department are relieved of any subsequent obligation under the  
25 agreement.

26 3. The joint committee on capital review shall review the project  
27 before the lease-purchase agreement takes effect.

28 E. THE DIRECTOR MAY LEASE OR SUBLEASE AT FAIR RENTAL VALUE ANY LAND OR  
29 BUILDING THAT IS ACQUIRED PURSUANT TO SUBSECTION A OF THIS SECTION. THE  
30 DIRECTOR MAY LEASE OR SUBLEASE ANY BUILDING THAT IS ACQUIRED PURSUANT TO  
31 SUBSECTION A OF THIS SECTION ON OTHER TERMS OR CONDITIONS IF THE LESSEE IS A  
32 STATE ENTITY OR POLITICAL SUBDIVISION OF THIS STATE. ALL NET LEASE INCOME  
33 SHALL BE CREDITED TO THE DEPARTMENT'S OCCUPANCY APPROPRIATION.

34 F. A LEASE OR SUBLEASE THAT IS GRANTED PURSUANT TO SUBSECTION E OF  
35 THIS SECTION IS EXEMPT FROM THE PROVISIONS OF SECTION 41-2752 AND IS NOT  
36 SUBJECT TO CHAPTER 23 OF THIS TITLE. THE DIRECTOR MAY PRIORITIZE LEASE OR  
37 SUBLEASE TENANTS BASED ON THE NEEDS OF THE DEPARTMENT AND IN THE PUBLIC  
38 INTEREST WITH PREFERENCE GIVEN TO THE FOLLOWING IN THE ORDER PROVIDED:

39 1. STATE ENTITIES.

40 2. POLITICAL SUBDIVISIONS.

41 3. COMMUNITY PARTNERS.

42 G. THE DEPARTMENT MAY PAY OR ADVANCE GROSS INITIAL AND ROUTINE LEASE  
43 AND SUBLEASE RELATED EXPENDITURES. THE GROSS INITIAL AND ROUTINE  
44 EXPENDITURES THAT ARE PAID OR ADVANCED SHALL BE REIMBURSED TO THE DEPARTMENT

1 BEFORE THE NET LEASE INCOME IS CREDITED TO THE DEPARTMENT'S OCCUPANCY  
2 APPROPRIATION PURSUANT TO SUBSECTION E OF THIS SECTION.

3 E. H. Any agreement under this section shall comply with the  
4 constitution and other laws of this state.

5 Sec. 2. Section 41-2752, Arizona Revised Statutes, is amended to read:  
6 41-2752. State competition with private enterprise prohibited;

7 exceptions

8 A. A state agency shall not engage in the manufacturing, processing,  
9 sale, offering for sale, rental, leasing, delivery, dispensing, distributing  
10 or advertising of goods or services to the public that are also offered by  
11 private enterprise unless specifically authorized by law other than  
12 administrative law and executive orders.

13 B. A state agency shall not offer or provide goods or services to the  
14 public for or through another state agency or a local agency, including by  
15 intergovernmental or interagency agreement, in violation of this section or  
16 section 41-2753.

17 C. The restrictions on activities that compete with private enterprise  
18 contained in this section do not apply to:

19 1. The development, operation and management of state parks,  
20 historical monuments and hiking or equestrian trails.

21 2. Correctional industries established and operated by the state  
22 department of corrections providing the prices charged for products sold by  
23 the correctional industries are not less than the actual cost of producing  
24 and marketing the product plus a reasonable allowance for overhead and  
25 administrative costs.

26 3. The Arizona office of tourism.

27 4. The Arizona highways magazine, operated by the department of  
28 transportation.

29 5. Printing and distributing information to the public if the agency  
30 is otherwise authorized to do so, and printing or copying public records or  
31 other material relating to the public agency's public business and recovering  
32 through fees and charges the costs of such printing, copying and  
33 distribution.

34 6. The department of public safety.

35 7. The construction, maintenance and operation of state transportation  
36 facilities.

37 8. The development, distribution, maintenance, support, licensing,  
38 leasing or sale of computer software by the department of transportation.

39 9. Agreements executed by the Arizona health care cost containment  
40 system administration with other states to design, develop, install and  
41 operate information technology systems and related services or other  
42 administrative services pursuant to section 36-2925.

43 10. Agreements executed by the department of economic security with  
44 other states to design, develop, install and operate support collection  
45 technology systems and related services. The department shall deposit,

1 pursuant to sections 35-146 and 35-147, monies received pursuant to this  
2 paragraph in the public assistance collections fund established by section  
3 46-295.

4 11. Contracts between the department of juvenile corrections and this  
5 state, a political subdivision of this state or a private entity in order to  
6 provide employment or vocational educational experience.

7 12. The aflatoxin control technologies of the cotton research and  
8 protection council.

9 13. THE LEASE OR SUBLEASE OF LANDS OR BUILDINGS BY THE DEPARTMENT OF  
10 ECONOMIC SECURITY PURSUANT TO SECTION 41-1958.

11 D. The restrictions on activities that compete with private enterprise  
12 contained in subsection A of this section do not apply to community colleges  
13 and universities under the jurisdiction of a governing board."

APPROVED BY THE GOVERNOR APRIL 25, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 25, 2005.

Passed the House March 7, 2005

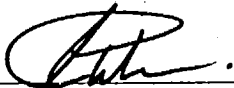
Passed the Senate April 14, 2005

by the following vote: 52 Ayes,

by the following vote: 28 Ayes,

3 Nays, 5 Not Voting

2 Nays, 0 Not Voting



Speaker of the House

  
Chief Clerk of the House



President of the Senate

  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

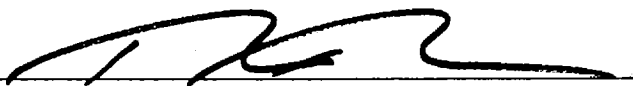
H.B. 2282

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

April 20, 2005,

by the following vote: 52 Ayes,

8 Nays, 0 Not Voting

  
Speaker of the House  
Pro Tempore  
Norman L. Moore  
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

20th day of April, 2005

at 4:40 o'clock P. M.

Wendy J. Kopp  
Secretary to the Governor

Approved this 25 day of

April, 2005,

at 10<sup>00</sup> o'clock A. M.

Jan. N. Brewer  
Governor of Arizona

H.B. 2282

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 25 day of April, 2005,

at 4:33 o'clock P. M.

Janice K. Brewer  
Secretary of State